

## Message Text

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AMEMBASSY SOFIA  
AMEMBASSY WARSAW

C O N F I D E N T I A L MOSCOW 18930

E.O. 11652: GDS  
TAGS: PFOR, UR, US  
SUBJECT: BREZHNEV SPEECH TO U.S.-SOVIET TRADE AND ECONOMIC  
COUNCIL

1. SUMMARY. BREZHNEV USED TRADE AND ECONOMIC COUNCIL  
MEETING TO TURN FIRST SPEECH DEVOTED TO U.S.-SOVIET  
RELATIONS IN MANY MONTHS INTO A GENERAL SCENE-SETTER  
FOR SOVIET APPROACH TO INCOMING U.S.  
ADMINISTRATION. WE SEE IT AS AN EXCEPTIONALLY CLEAR,  
EVEN BLUNT RESTATEMENT OF SOVIET APPROACH TO U.S.  
DEVELOPED IN RECENT YEARS AND RECONFIRMED AT 25TH CPSU  
CONGRESS IN FEBRUARY: SOVIETS WISH TO PROCEED,  
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BUT BALL IS IN U.S. COURT. IN POLITICAL PORTION,

SPECIFIC NOVELTIES--ON TRIDENT/B-1, NON-PROLIFERATION AND "OTHER MEASURES"--WERE SMALL. AT SAME TIME, BREZHNEV SEEMED TO EDGE CLOSER TO RECOGNITION OF REAL WORLD LINKAGE OF POLITICAL AND ECONOMIC ISSUES, AND TO SIGNAL THAT SOVIETS CAN RESPOND TO U.S. CHARGES ABOUT "SOVIET THREAT" WITH SIMILAR CHARGES IF THEY WISH. ECONOMIC MESSAGE WAS ESSENTIALLY UPDATE OF BREZHNEV'S 1974 SPEECH TO COUNCIL: APPEAL TO U.S. BUSINESS AS PRESSURE GROUP WAS EVEN MORE BLATANT, BUT THEMES--TREMENDOUS PROSPECTS, AND SOLE U.S. RESPONSIBILITY FOR OBSTACLES--WERE THE SAME. BREZHNEV MAY HOPE FOR GREATER BUSINESS AGGRESSIVENESS IN PUSHING FOR "NORMALIZATION" OF ECONOMIC RELATIONSHIPS. NONE OF THE BUSINESSMEN PRESENT APPEARED TO CHALLENGE HIS VIEW THAT IT IS STRICTLY UP TO THE U.S., ALTHOUGH SECRETARY SIMON DID. IN OUR VIEW, BREZHNEV'S OVERALL PRESENTATION SHOULD BE SEEN IN CONTEXT OF NORMAL SOVIET PRACTICE ON NEGOTIATIONS USSR TAKES SERIOUSLY. END SUMMARY.

2. BREZHNEV USED THE "ECONOMIC" OCCASION OF HIS DINNER FOR THE U.S.-SOVIET TRADE-ECONOMIC COUNCIL NOV 30 TO MAKE HIS FIRST STATEMENT IN MANY MONTHS EXCLUSIVELY DEVOTED TO U.S.-SOVIET RELATIONS, AND IN EFFECT TO PRESENT A GENERAL SCENE-SETTER FOR U.S.-SOVIET RELATIONS, AS THE SOVIETS WOULD LIKE TO SEE THEM, UNDER THE NEW ADMINISTRATION. SECRETARY SIMON WAS WELL-RECEIVED: IN THE PRAVDA ACCOUNTS OF HIS MEETING WITH BREZHNEV ON THE OCCASION OF THE LAST COUNCIL MEETING IN MOSCOW ON OCTOBER 15, 1974, AND THIS ONE, THE ATMOSPHERE WARMED FROM "BUSINESSLIKE" IN 1974 TO "FRIENDLY AND BUSINESS-LIKE IN 1976." IN 1974, HOWEVER, BREZHNEV'S OWN SPEECH WAS SUBSTANTIALLY RESTRICTED TO ECONOMIC MATTERS; THIS TIME HE ADDED LONG CONCLUDING SECTION DEVOTED TO THE GENERAL RELATIONSHIP, WITH CHARACTERISTIC STRESS ON ARMS CONTROL, AND IN THIS CONTEXT EXPLICITLY ANNOUNCED SOVIET READINESS TO PROCEED "IN COOPERATION WITH THE NEW ADMINISTRATION." THUS, AS WE SEE IT, HIS PRIMARY AIM WAS TO USE THE VISIT TO ADDRESS THE INCOMING WASHINGTON ADMINISTRATION.

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3. WE READ THE POLITICAL STATEMENT AS AN EXCEPTIONALLY CLEAR AND FIRM REAFFIRMATION OF THE SOVIET APPROACH TO THE U.S. DEVELOPED UNDER BREZHNEV'S AUSPICES OVER THE PAST FIVE YEARS AND RECONFIRMED AT THE 25TH CPSU CONGRESS IN FEBRUARY: THE SOVIETS WISH TO PLOUGH AHEAD ALONG THE PATH MARKED OUT BY THE TWO SIDES IN RECENT YEARS--AS THEY DEFINE IT--BUT THE BALL IS ESSENTIALLY IN THE U.S. COURT.

4. SPECIFIC NOVELTIES IN THE "POLITICAL" PORTION OF THE SPEECH THEREFORE STAND OUT, FOR THEY ARE FEW AND SLIM:  
--BREZHNEV DEFINES THE WEAPONS SYSTEMS THE SOVIETS WOULD FOREGO IN RETURN FOR U.S. SELF-DENIAL ON TRIDENT AND B-1 AS "SUBMARINES AND BOMBERS;"  
--HE EXPRESSES WILLINGNESS TO DISCUSS "NEW POSSIBLE MEASURES" IN THE NUCLEAR NON-PROLIFERATION FIELD; AND  
--HE MENTIONS (BUT DOES NOT DEFINE) POSSIBLE DISCUSSION OF "OTHER MEASURES" TO REDUCE THE DANGER OF NUCLEAR WAR.

5. OTHERWISE, TWO BROADER IMPLICATIONS OF BREZHNEV'S HANDLING OF THE LARGE POLITICO-ECONOMIC NEXUS MAY BE WORTHY OF NOTE:

--IT SEEMS TO US THAT HE GOES FURTHER THAN HE DID IN 1974 TOWARD RECOGNIZING THE REAL-WORLD LINKAGE OF POLITICAL AND ECONOMIC ISSUES IN THE RELATIONSHIP. IN 1974, HE SPOKE ONLY OF THE EFFECT OF ECONOMICS, FOR GOOD OR ILL, ON THE OVERALL RELATIONSHIP. THIS TIME, WITHOUT GOING SO FAR AS TO POSIT THE REVERSE EFFECT, HE COMES CLOSE TO DOING SO BY THE VERY USE OF ECONOMICS TO LEAD INTO HIS GENERAL DISCUSSION, AND BY AFFIRMING THAT "ONE CANNOT IGNORE THE GENERAL STATE OF POLITICAL RELATIONS BETWEEN COUNTRIES IN SPEAKING OF ECONOMICS."  
--IT ALSO SEEMS TO US THAT IN HIS REMARKS ON FIRST-STRIKE PLANNING--"IT IS NOT EXCLUDED THAT IN RAISING THE NOISE ABOUT IMAGINED USSR INTENTIONS SOMEONE IN THE U.S. IS HIMSELF LAYING DOWN PLANS FOR A 'FIRST STRIKE'"--BREZHNEV WAS IMPLYING THAT TWO CAN PLAY THE GAME OF BLACKENING THE OTHER'S STRATEGIC INTENTIONS, AND THAT THE SOVIETS TOO HAVE AN "OFFENSIVE" STRING IN THEIR CONFIDENTIAL

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PROPAGANDA BOW, TO SUPPLEMENT THE MASSIVE DEFENSIVENESS WHICH HAS CHARACTERIZED THEIR APPROACH SO FAR THIS YEAR.

6. ON THE ECONOMIC SIDE, THE LONG INTRODUCTORY PORTION OF THE SPEECH READS ESSENTIALLY LIKE AN UPDATE OF BREZHNEV'S 1974 REMARKS. THE APPEAL TO AMERICAN BUSINESSMEN AS AN ACTUAL AND POTENTIAL PRESSURE GROUP IN AMERICAN POLICY FORMATION WAS EVEN MORE BLATANT, BUT THE ESSENTIAL THESES--BUSINESS PROSPECTS ARE TREMENDOUS; BUSINESS HAS SUFFERED BECAUSE OF AMERICAN FOLLISHNESS (AND IS GOING TO OTHER COUNTRIES); IT IS ENTIRELY UP TO THE AMERICANS TO UNLOCK THE GATES--ARE THE SAME.

7. BREZHNEV'S PRESENTATION WAS BLUNTER THAN ANYTHING

IN RECENT MEMORY. BY WARNING HIS GILT-EDGED AUDIENCE OF THE POTENTIAL LOSS OF A TRADE BONANZA IF SOMETHING IS NOT DONE ABOUT "DISCRIMINATION," IN TERMS SHARPER THAN THOSE USED AT THE OCTOBER PLENUM (MOSCOW 16846), BREZHNEV APPEARED TO BE COUNTING ON A MORE AGGRESSIVE POSTURE FROM AMERICAN "BUSINESS CIRCLES" IN PRESSING FOR NORMALIZATION OF U.S.-SOVIET ECONOMIC RELATIONS. CERTAINLY NO ONE AMONG THE BUSINESSMEN APPEARED TO CHALLENGE BREZHNEV'S VIEW THAT NORMALIZATION IS STRICTLY UP TO THE U.S. AND THAT NO SOVIET CONCESSIONS WOULD BE REQUIRED, ALTHOUGH IN HIS SPEECH TO THE COUNCIL AND IN PRIVATE CONVERSATIONS SECRETARY SIMON NOTED THAT U.S. PUBLIC OPINION HAS INCREASINGLY ASSOCIATED ECONOMIC ISSUES WITH "MORAL" OR ETHICAL ONES.

8. IT IS IMPORTANT TO NOTE IN THIS CONTEXT THAT BLUNTNESS AND WEARY REPTITION OF THE CURRENT LINE DO NOT NECESSARILY SIGNIFY, IN SOVIET PRACTICE, THAT THE USSR IS IN A NON-NEGOTIATING MOOD. ON THE CONTRARY, WE BELIEVE THAT BREZHNEV'S PRESENTATION WAS PERFECTLY CONSISTENT WITH A CLASSIC SOVIET POSTURE OF WATCHFUL WAITING, TOGETHER WITH GENUINE CONCERN THAT THE POLICY OF IMPROVING RELATIONS WITH THE U.S. WHICH HAS BEEN DEVELOPED UNDER BREZHNEV IS CRITICALLY DEPENDENT ON THE POLICIES THE PRESIDENT-ELECT WILL ADOPT. IT IS SOVIET PRACTICE TO ENTER A PERIOD OF UNCERTAINTY  
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WITH LOUD REITERATION OF FAITH IN EXISTING POLICIES, EVEN AS OPTIONS ARE DEVELOPED FOR THE KINDS OF CHANGES REQUIRED BY SUCCESSFUL NEGOTIATION. OUR GUESS IS THAT THE SOVIETS ARE DEEPLY DISTURBED BY THE RECENT LACK OF PROGRESS IN THE US-SOVIET RELATIONSHIP AND ARE NOT ONLY READY BUT EAGER TO PURSUE NEGOTIATIONS ON THE CRITICAL ISSUES. IF THIS ANALYSIS IS CORRECT, THEN THE MORE OFFENSIVE PORTIONS OF BREZHNEV'S SPEECH SHOULD BE VIEWED AS AN IRRITATING BUT NOT ALARMING EXERCISE IN RHETORIC.  
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